

EUROPEAN UNIVERSITY INSTITUTE, FLORENCE
DEPARTMENT OF POLITICAL AND SOCIAL SCIENCES

E U I W O R K I N G P A P E R N o . 97

NEO-CORPORATIST INDUSTRIAL RELATIONS
AND THE ECONOMIC CRISIS IN WEST GERMANY

by

WOLFGANG STREECK

International Institute of Management
Berlin

and

European University Institute
Florence

BADIA FIESOLANA, SAN DOMENICO (FI)

320

EUI



This paper should not be reproduced in whole
or in part without the prior permission
of the author

© Wolfgang Streeck

Printed in Italy in March, 1984

European University Institute

Badia Fiesolana

I - 50016 San Domenico (Florence)

ITALY

TABLE OF CONTENTS

	<u>PAGE</u>
The Changing Balance of Power and Interests: Neo-Corporatist Institutions under the Pressure of the Market	1
Restoring Flexibility to a Bargained Economy. The Case of ARBED Saarstahl	14
The Decomposition of Class Interests. Consequences of Unemployment for Trade Union Organization	23
New Lines of Cleavage	35
Bibliography	45

Many different things - in fact, too many - have been labelled "neo-corporatist". This paper will be concerned exclusively with industrial relations, conceived in a wide sense as comprising the regulation not only of wages and conditions but also of (public and quasi-public) social policy and of the institutional framework within which the parties at the labour market interact. For the purposes of the argument, an industrial relations system will be called neo-corporatist if it regulates significant aspects of the exchange between capital and labour through bargained agreements between strong, encompassing class associations at the national or industrial level, and if such joint regulation takes place under procedural and political facilitation, conditional upon its substantive outcomes, by the state (Schmitter, 1983). The subject of the paper, then, is how neo-corporatist industrial relations systems thus defined, and the large interest aggregates and bargaining compacts that are their essential and characteristic constituents, are likely to react to a lasting economic crisis that is accompanied by high unemployment.

THE CHANGING BALANCE OF POWER AND INTERESTS: NEO-CORPORATIST INSTITUTIONS UNDER THE PRESSURE OF THE MARKET.

The impact of economic decline on neo-corporatist industrial relations has been a subject of speculation since the early 1970s (for many others, see Lehmbruch, 1979; Panitch, 1979, Sabel, 1981). Now that the crisis has finally arrived, we can see that its effects differ considerably from what was for long time accepted as received wisdom by nearly everybody. Neo-corporatist industrial relations were regarded by many as "fair-weather systems", depending for their stability on continuous economic growth and the associated low level of unemployment.

Their critical element was believed to be the trade unions whose "wage restraint" had to be rewarded by government commitments to an expensive social policy, and by gradually increasing real wages. This required a growing economy, and failing this precondition, it was almost taken for granted that unions, under the pressure of their frustrated membership, would (have to) refuse to be further "concerted" by tripartite agreements.

With hindsight, it is not difficult to see why this expectation was bound to be disappointed. For one thing, the "incomes policy" view of neo-corporatism has always been one-sided and top-heavy, in the sense that it has essentially limited itself to the problem of demand management and distribution at national level, neglecting the central role of neo-corporatist institutions on the supply side and at the workplace. Neo-corporatist demand management, to be more than a short-lived political expedient, always needed to be supported by congenial institutions of interest accommodation at the workplace, and these tend to be conducive not just to consensus but also to high efficiency and superior productivity (Streeck, 1981b). It is not at all accidental that countries like Sweden, Austria and West Germany, in addition to having had relatively successful national incomes policies and peaceful industrial relations in the 1970s, are also characterized by highly flexible systems of manpower use at the point of production, with few if any "restrictive practices" and with high responsiveness to technological change (Hotz, 1982; Jacobs et al., 1978). One can build a complex argument around this and we will return to the point further down; what is important in the present context is that, whatever "compensations" may or may not be gained from "political exchange" at the national level, high real wages and safe employment can only be

sustained, over a longer term, if they are underwritten by a productive economy. To the extent that neo-corporatist institutions contribute to superior productivity, unions - especially in countries, sectors or firms that depend heavily on exports - will find it hard in a crisis to make their members abandon practices and structures of "class cooperation" at the workplace that constitute a competitive advantage in the international "job market".

The second factor that early speculations about the fate of neo-corporatism in an economic crisis have overlooked, is that trade unions have other stakes in neo-corporatist bargaining than just the material benefits of favourable economic and social policy exchanges. Organizational privileges have often been mentioned as one such additional pay-off (Streeck, 1982). However, more important for our argument is the fact that unions - and in particular those large, encompassing unions as typically take part in corporatist national bargaining - are interested in the existence of institutions of industrial (self-) government that are capable of creating and enforcing general and uniform regulations, not just of wages but also of employment conditions in the widest sense. The reasons are in part ideological and in part organizational. The idea of "solidarity" demands that workers in economically weak regions, industries or firms should not have lesser employment protection, inferior training, weaker representation, harder working conditions, lower pensions, poorer access to health services etc. than workers in strong regions, industries or firms. In organizational terms, internally heterogeneous unions that do not redistribute at least some of the bargaining power of their stronger members to their weaker ones, and that permit the forces of the market to widen the disparities between their differently privileged member

groups, will sooner or later have to face their own disintegration as collective actors. Central bargaining and central agreements, and the assistance of the State and the legal system in making these "stick" in vastly different places of work, are indispensable for trade unions trying to develop a "strategic capacity" (Crouch, 1977). In so far as neo-corporatist arrangements support such capacity - and there is no doubt that they do - trade unions cannot easily afford to abandon them, even if the substance of central regulations and their actual impact may be less than fully satisfactory for them in changed economic circumstances.

How does this compare to the interests of the second partner at the bargaining table, business? A central Leitmotiv of the "incomes policy tradition" of neo-corporatist theory is the more or less explicit assumption of a built-in asymmetry in neo-corporatist industrial relations (Lehmbruch, 1979: 303). While there always was considerable discussion and disagreement over the benefits of neo-corporatist cooperation for labour, it was widely accepted that capital gained significantly and unambiguously from trade union "wage restraint". By and large, this resulted in an emerging consensus that the rewards of neo-corporatism were unequally distributed in favour of capital. If this was true, however, then there was no reason to even consider the possibility that centrifugal tendencies in established neo-corporatist systems might originate among capital. Wage restraint, after all, was something that capitalists always have use for, and it seemed difficult to imagine a situation in which capitalists might lose interest in an institutional framework that was so effectively providing them with this important commodity.

Again, at least two points were overlooked. Neo-corporatist incomes policy was, rightly or wrongly, explained as a device to make unions abstain from fully exploiting an "excessive" amount of bargaining power - excessive in the sense that it may have yielded nominal wage increases higher than the increase in productivity. But not much attention was paid to the possibility that, in an economic crisis and after a "withering away" of Keynesian economic policy, union bargaining power as such might drop back to a level that would render institutional constraints and negotiated restraint dispensable. If trade unions simply lack the clout to "distort the market", why should employers make any, even only symbolic, concessions to them for agreeing not to do so? Again with hindsight, it seems that from the very logic of the prevailing incomes policy concept of neo-corporatism, one should have expected that when "wage restraint" is imposed on the unions by an adverse economic situation, neo-corporatism, conceived of as negotiated wage restraint, should lose much of its attraction to employers.

Of course, declining functional importance of neo-corporatist institutions for capital may not be a sufficient reason to disband them - especially since they may again become useful after the economy has recovered. On the other hand, it seems that not only do the benefits of neo-corporatism for capital decline in an economic crisis, but the costs increase at the same time. Neo-corporatist centralized bargaining typically produces comprehensive and uniform regulations of a wide range of aspects of the employment relationship. The economic burden that such regulations impose on employers may be relatively easy to bear in periods of expansion; but as soon as the economy moves in a crisis, it is likely to become increasingly heavy. From the perspective of the individual employer, a "crisis" is a situation in which his survival

depends on fast and innovative reactions to changing market conditions. But centrally negotiated regulations are by definition insensitive to the market situation of individual firms, and it is precisely this element of (relative) institutional autonomy that makes them such an important instrument for trade unions in protecting the interests of their members.

Neo-corporatism, that is to say, produces a body of (jointly agreed) central rules and regulations that, especially under critical economic conditions, is experienced by the individual firm as rigid, inflexible, and severely constraining its adaptive responses to market contingencies. Clearly, the "rules of the game" of neo-corporatist collective bargaining do not preclude revisions of existing regulations so as to take into account changed economic conditions. In fact, pressing for such revisions is the first and "natural" response of employers associations to economic setbacks, and while it is true that neo-corporatist institutions are "sticky" - in the sense of having a logic of their own that is different from that of the market - there is a good chance that unions, weakened by the crisis and desperate to protect the principle of centralized joint regulation as such, will agree to considerable "downward flexibility" of wages and conditions. In this, they may even be able to carry their members by presenting their concessions as a contribution to a reduction of unemployment. Nevertheless, re-negotiation of existing agreements remains difficult, burdened with high uncertainty, and time-consuming, and it may in fact be too uncertain and too slow for firms that have to undergo rapid structural change. Moreover, even a re-negotiated central agreement, with relatively favourable terms for employers, continues to impose uniform standards on firms and industrial branches that are subject to

different market conditions and that are forced by the crisis to respond more closely than ever to their specific, rapidly changing environments.

It is at this point that the conflicting interests and options, in the crisis, of capital and organized labour with regard to the further operation of neo-corporatist institutions become most clearly apparent. For centralized, encompassing trade unions, disintegration of the neo-corporatist machinery of joint regulation would destroy their strategic capacity for solidaristic interest representation aimed at protecting, as much as possible, the status of individual workers from the whims and uncertainties of the market. For employers associations, given the decline of union bargaining power in the crisis, the same development would mean the realization of an important interest of their members - the interest in flexibility, "de-bureaucratization", higher autonomy in dealing with the uncertainties of more competitive and volatile markets, etc. Employers therefore have an alternative, and in principle a preferred alternative, to re-negotiating existing agreements - which is letting the machinery of central negotiations fall into disuse and returning the regulation of the employment relationship to the market. This places them at a strategic advantage over their trade union adversaries for which the market becomes less rather than more acceptable as a regulator of working conditions when the economy declines.

It is important to emphasize that this constellation of interests does not necessarily have to result in an abrupt, wholesale withdrawal of capital from neo-corporatist bargaining. The legal and procedural safeguards that typically protect corporatist institutions are not the only factor that makes a sudden withdrawal indeed unlikely. Existing institutions always create vested interests in their further existence,

if only because nobody can know for certain what will replace them. Employers associations, as distinct from their members, undoubtedly do have an interest in central negotiations as such. Moreover, to the extent that neo-corporatist conflict management contributes to social peace and productivity at the workplace, even their members may not be willing to do without them. Anti-corporatist responses by capital to the crisis are therefore likely to be more subtle than the formal withdrawal of union recognition at the central bargaining level, and in fact they can be so without being less effective.

Here again, it is useful to remind oneself of the fact that neo-corporatist industrial relations systems are multi-tier structures, and that the functional relationships and the structural linkages between their various levels constitute a central dimension of their development and evolution. Employers, in struggling against the constraints of centralized regulation, may find that they can achieve their objective relatively easily by re-setting, in line with the changed balance of power, the institutional balance between the different levels of bargained interest accommodation. All that is needed for this are constant pressures inside and outside the various bargaining arenas for special regulations and exemptions for individual firms and industries, and for a general delegation of bargaining matter to the individual firm level. Superficially, this may not look much different from the routine re-negotiation of existing agreements in the light of new economic circumstances. In fact, however, it is the opposite of the corporatist "business as usual" in that it is bound to result in a gradual erosion of the practice and principle of centralized joint regulation, making negotiations at the central level increasingly

meaningless for the workplace, and making the workplace increasingly autonomous vis-à-vis the central level.

For unions that have accommodated themselves to a neo-corporatist mode of operation, such a development must represent a fundamental political challenge. Not only would they be deprived of the institutional preconditions for the kind of solidaristic, unified interest politics that they have to pursue for reasons of their organizational stability. They would also, as national, "external" unions, lose control over the main resource they have to sell in exchange for recognition as collective actors, cooperation at the workplace. From the perspective of labour organized as a class, erosion of the central bargaining level in the crisis amounts to a de-capitation of the workplace-based structures of interest accommodation whose functioning ceases to be controlled by, and conditioned upon, bargained agreements at the central level; instead it is secured and enforced by market pressures. In this sense, the de-composition of comprehensive bargaining aggregates by exemptions and decentralization is nothing else but the very "return to the market" that is at the core of the neo-liberal offensive against corporatist "rigidities". How much the crisis has changed, and even reversed, the situation in this respect is illustrated by the fact that in Germany in the prosperity of the 1960s and 1970s, it was the radical wing of the trade union movement that pressed, under the catchword of betriebsnahe Tarifpolitik, for exemptions in national agreements allowing for decentralized wage bargaining at the level of individual firms. Today, exactly the same demand is being put forward with increasing force by employers, and the very factions in the unions that have once opposed centralization are now its most outspoken defenders.

If by neo-corporatism we mean a system of collective industrial self-government in which significant elements of the employment relationship are negotiated, with state facilitation, between central organizations of capital and labour, then we would indeed predict that its stability is likely to be negatively affected by an economic crisis. But to understand more profoundly the course and the underlying dynamics of corporatist institutional decay, one has to get away from preconceived notions of "class interests" and take into account the impact of the crisis on employing firms. If "crisis" means a growing need for firms to pay attention to more rapidly fluctuating and increasingly specific market signals - driving up dramatically the opportunity costs of conformity to established practices and general, "bureaucratic" rules - then the pressure on neo-corporatist institutions will originate first and foremost not from trade unions dissatisfied with the declining material benefits of centralized bargaining, but from capital trying to restore flexibility to the individual enterprise through, among other things, de-regulation of the labour market (similar Schmitter, 1982: 277). This is not only because capital - or whoever has to make up for a firm's losses - is more sensitive to declining profits and more negatively affected by costly "institutional" rigidities than labour. It is also because where the market rules, capital - or management - rules, and in this sense economic weakness constitutes a source of political strength for capital in its power game with labour.

In a nutshell, then, the stability of neo-corporatist industrial relations in an economic crisis depends essentially on the capacity of trade unions to defeat business offensives for a "return to the market", and the question becomes how strong this defense can be. Given the loss

of bargaining power trade unions suffer as a result of declining demand for labour, the chances of survival of neo-corporatist structures seem, to an important extent, determined by the support unions as institutions receive from the state and the legal system. But even where such support is forthcoming, the outcome is far from certain. Trade unions trying to preserve corporatist institutions against the disintegrating impact of a crisis are faced not just with opposition from employers but also with internal opposition from their rank-and-file. Here, the "labour discontent" theory of corporatist decay is indeed valid. Where it goes wrong is that it assumes that the pressures inside unions that undermine the corporatist defenses will come from radicalized militants. While member revolts of this kind are always possible, they can safely be expected to remain isolated incidents in comparison to a development that represents, in many ways, their exact opposite: the integration of workers at the level of individual enterprises in cooperative alliances with their employers. This, too, is a response to the market, and it reflects the fact that the relative insensitivity of corporatist-industrial unions to the market is much more a product of sophisticated institution building than an expression of a fundamental dissociation of the interests of labour from the functioning of the (capitalist) economy. What the crisis does to organized labour is, in essence, that it makes the organizational transformation of specific economic into general "class" interests exceedingly more difficult (Carrieri and Donolo, 1983). Under crisis conditions, the rule of the market asserts itself not just over the behaviour of firms but also over the interest definitions of workers, with the latter's interests in the economic survival of "their" employer becoming so intense that they escape union-organizational control and leave even less space for other, more general

and less market-determined interests. The emerging "wildcat cooperation" of individual workforces within workplace-based "productivity alliances" (Goldthorpe's "micro-corporatism", 1984) parallels and reinforces, inside the organization of labour itself, the pressures from employers for a relaxation of corporatist controls over the workplace. Paradoxically, as will be shown below for the German case, such fragmentation and differentiation of "class interests" among workers may be facilitated by the very institutions of interest accommodation at the workplace that, in better times, provided an essential substructure of centralized joint regulation.

The prospects, summing up so far, for neo-corporatist industrial relations to weather an economic crisis are uncertain. While economic decline does pose serious challenges to centralized class bargaining and interest accommodation, a sudden breakdown of established practices and procedures appears unlikely given the considerable inertia mobilized by developed and long-standing institutional structures. The decay of neo-corporatism, if decay there will be, is likely to be slow and creeping, proceeding step by step, over several years, from one gradual change to the other, until the institutional Gestalt may switch, and neo-corporatism may finally give way to some other mode of interest politics. Whether or not this will happen, and how far the involution of corporatist institutions will go, seems to be determined by the strength of three countervailing forces :

- the legal backing by the state of existing neo-corporatist structures;
- the resistance of central trade unions against a "downward transfer" of bargaining matter to the workplace; and,

- the cohesion of industrial unions as collective actors in the face of the centrifugal "pull" of the market on their membership.

In all three respects, it is the unions whose behaviour, strategy and capacity to act are decisive. Trade unions trying to defend neo-corporatist institutions have to fight a war on two fronts: against employers pressing for decentralization, and against members who are no longer willing to believe that centralized class politics can help them keep their jobs. It is only if national and sectoral unions can mobilize, both from the state and with state assistance, sufficient resources to prevail on both sides, that neo-corporatist industrial relations may have a future.

The following two parts of this paper will illustrate in greater detail the external and internal pressures on trade unions trying to protect neo-corporatist institutions from the destabilizing impact of the crisis. For empirical reference, the discussion will draw on West Germany, mainly because this is the country which the author knows best. Another, less idiosyncratic reason is that as a consequence of the legal institutionalization of workplace participation and cooperation in Germany - in the form of "co-determination" (Adams and Rummel, 1977; Streeck, 1984) - changes in the relationship between the different levels of interest accommodation are easier to observe and to analyze in this country than in others. Given the specificities of the German case - e.g. the fact that West Germany has long been, and in some respects continues to be, a "dominant economy" - one cannot expect that the German experience will be exactly replicated elsewhere. But it should be possible from this account to identify in general terms some of the problems for which trade unions in similar conditions have to find solutions, and to compare different solutions from the perspective of

their functions for the stability of centralized collective interest accomodation.

RESTORING FLEXIBILITY TO A BARGAINED ECONOMY. THE CASE OF ARBED
SAARSTAHL.

Since the beginning of the crisis in the late 1970s, there have been increasingly vocal complaints from both business and government on the rigidities imposed on the economy by central and uniform regulation of working conditions. Among the first to voice this new theme was the Council of Economic Advisors which repeatedly expressed its doubts over the wisdom of negotiating basically identical agreements for weak and strong industrial sectors or firms. Similar concerns were put forward by representatives of business, especially from the ranks of small and medium-sized firms who proposed exemptions from central agreements for the Mittelstand, and they were echoed even by a small number of union leaders from sectors like textiles that are especially severely affected by the crisis. In 1982, the new government succeeded in breaking up, for the first time since the early 1960s, the industry-level bargaining unit of the civil service; rather than, as had become established practice, automatically extending the wage settlement for employees in the public sector to the civil servants (Beamte) who have no right to collective bargaining, the government increased the salaries of civil servants at a rate below that of the industrial agreement.

Otherwise, however, apart from the fact that all new trade union projects for industry-level joint regulation have come to a standstill - e.g. in the crucial area of "protection against rationalization" - the large bargaining compacts that are characteristic of the West German industrial relations system are still basically intact.. Undoubtedly,

this is due to the strong support offered by the existing institutional and legal system to comprehensive, nationwide bargaining. On the other hand, there is at least one recent example showing that, while the decomposition of "bloc bargaining" is exceedingly difficult, it is not impossible even in the German context. The example, which is the case of ARBED Saarstahl, is instructive not least because it shows the extraordinary lengths to which the opponents of corporatist "rigidities" may have to go in a neo-corporatist environment in order to achieve their objectives.

The endemic crisis of the West German steel industry is a subject of widespread attention, and it is not necessary here to present the details. (For a recent account, see Esser et al., 1983.) There has long been agreement between government, industry and union (the IG Metall) that a substantial reduction of capacity is inevitable, and that the survival of the industry will not be possible without a considerable infusion of public subsidies. No agreement exists, however, on the future structure of the industry. Although the crisis continued to deteriorate throughout 1983, no coordinated restructuring effort was undertaken due to lack of consensus between, and within, the three parties.

The firm that is most severely affected by the crisis is ARBED Saarstahl. Formed in 1978 as a result of a government-sponsored merger (Esser et al., 1983: 91), ARBED is the only remaining major steel producer in the old industrial centre of the Saarland. Although the firm was never economically viable, both the Federal and the Saarland government felt they had no choice but to keep it alive through public subsidies. Unemployment at the Saar has always been above the national average, and past efforts to create alternative employment opportunities

for redundant steel workers have failed. By 1982, ARBED had received no less than DM 2.2 billion in subsidies (Esser et al., 1983: 94) without any substantial improvement in its condition.

Part of the public money was used to finance significant redundancy payments. Under a "social plan" (Sozialplan) negotiated, corporatist-style, between the union, the company and the government in 1978 (Esser et al., 1983: 90), employment reductions at ARBED are to be accomplished basically through natural wastage early retirement. Workers above age 55 who accept an offer of early retirement are guaranteed 90 per cent of their last take-home pay, with the employer making up for the difference to the unemployment insurance benefits which amount to 68 per cent. In addition, future wage increases received by the remaining workforce are extended to the early retired workers. This agreement has contributed considerably to preventing social unrest and preserving social peace, and it was one of the cornerstones of the trilateral "pact" between capital, labour and the state that emerged, in response to the crisis of the steel industry, in the 1970s (Esser et al., 1983).

A first major conflict over the terms of crisis management arose in 1982, shortly after the new Federal Government had taken office. When ARBED came in for another subsidy of DM 310 million, the Ministry of Economics asked, as a precondition for further public support, for a Belegschaftsopfer - a "sacrifice" by the workforce contributing to the rescue of the firm (Esser et al., 1983: 94ff.) In particular, the workforce was to accept a reduction of its Christmas bonus - equivalent to one monthly pay - by half. This would have saved the firm about DM 60 million. However, the size of the bonus is fixed by the regional industrial agreement, and the IG Metall argued that since the agreement was legally binding, the bonus could not be cut even with the assent of

the workforce and its elected representative, the works council. It soon turned out, however, that this position was not tenable. Under pressure from its members at ARBED who were afraid of the firm going bankrupt, the union - in order to protect at least the principle of wage regulation through industrial agreement - proposed a re-negotiation of the agreement to the effect that one half of the 1983 and the 1984 Christmas bonus were to be given, as an interest-free loan, to the firm. The money was to be paid back in 1985 and 1986. After an agreement to this effect was signed, the government agreed to provide the requested support.

A similar sequence of events occurred in the following year. In October 1983, the ARBED management proposed to the Federal Government a restructuring plan envisaging a workforce reduction from 17,200 to 12,100 by the end of 1986. The plan also asked for further subsidies amounting to a total of DM 658 million for the years from 1983 to 1985 (HB, Oct. 14-15, 1983). In the ensuing negotiations, the government refused to commit itself to financial support beyond 1983 and 1984. It insisted that the proposed workforce reduction plan was fully implemented, and future subsidies were made conditional on this. It also made a number of additional demands which the management, given that the firm was only a few days short of bankruptcy, had no choice but to accept. Among other things, the members of the management board had to agree to a cut of their salaries by one quarter; they themselves had offered 17 per cent. More importantly, the government asked for another Belegschaftsopfer, including significant cuts in the payments to redundant workers under the "social plan" and a commitment to a wage freeze (Nullrunde) in 1984 (FAZ, Nov. 9). To put pressure on both management and the workforce, the government stated publicly that unless

Such an agreement was reached, no money would be forthcoming even if the firm had to go to the receiver.

Under the management restructuring plan, the 1984-1987 employment cut was to be effected again by early retirement of workers at age 55 and older. But since not many workers of this age group were left, early retirement was to be offered also to "disabled" workers between 50 and 55. However, as one condition of further subsidies, the Federal Government demanded that the guaranteed income of retired workers be lowered to 82 per cent, and this was to apply not just to workers affected by the impending employment reduction but also to those (former) workers who were already receiving social plan payments.

Both works council and IG Metall refused to accept. However, their position weakened as the breakdown of the firm came closer. The decisive Cabinet meeting was scheduled for November 7; if the government declined at this occasion to pay out the first installment of DM 84 million, the firm would have had to declare bankruptcy the following day. In the week before the Cabinet meeting, the works council polled the workforce on the 82 per cent offer; a result was not made public. However, a few days later the IG Metall agreed to let the matter go to a conciliation committee. Literally in the last minute, the committee, with the vote of its neutral chair(wo)man (the President of the Saarland Labour Administration) and against the works council and the union, ruled in favour of the 82 per cent offer made by the management. A few hours later, the Federal Government agreed to pay the subsidy for 1983 (FAZ, Nov. 9).

It soon turned out, however, that this was far from being the end of the matter. Formally, the conciliation committee decision applied only to the social plan for the disabled workers between 50 and 55 who

were to lose their jobs in the years until 1986. Since the existing social plan for workers between 55 and 60 was legally binding until December 1985 - and thus could have been changed only by mutual consent among works council and management - this was all the committee could do. It is an open question if the works council was willing, in later negotiations, to bring the terms of the existing social plan in line with the new one and with the demands of the Federal Government. But whatever potential for agreement may have existed, seems to have been destroyed by a parallel development on the second issue, the Nullrunde. This will be discussed shortly. By mid-November, unable to re-open negotiations on the old social plan and responding to continuing government pressures, the management unilaterally suspended the existing regulations and reduced payments to early retired workers above 55 to 82 per cent. Union and works council, in turn, announced that they would take legal action (IE, Nov. 17).

The second string the government had attached to its financial support was a wage freeze for ARBED workers in 1984. Wages at ARBED are settled by an industrial agreement which is negotiated between the IG Metall and the Employers Association of the Iron and Steel Industry (Arbeitgeberverband Eisen und Stahlindustrie) of which ARBED is a member. Although the steel industry is in poor economic condition, the industrial agreement for 1984 is likely to provide for a small wage increase, probably at or slightly below the level of inflation. By the time the conciliation committee made its award, it became known that the government, in order to ensure that there would indeed be a Nullrunde at ARBED in 1984, had made it a condition of further subsidies that ARBED resign from membership in the employers association, so as to be able to negotiate a wage freeze directly with the IG Metall (FAZ, Nov. 9). Four

days after the Cabinet meeting ARBED informed the Arbeitgeberverband of its intended resignation (FAZ, Nov.12).

It is difficult at this stage to assess the implications of this event. For a start, it is not clear whether ARBED's forced resignation will not - just as, perhaps, the cut of the social plan - fall victim to the stickiness of the legal "rules of the game": formally, under the constitution of the employers association, the resignation does not become effective until the end of 1984 (HB, Nov. 15). Moreover, while the association may be able to release ARBED earlier, it may not be willing to do so. In an interview with the Handelsblatt on November 14, the director of the association criticized the pressure by the government on ARBED as a "severe interference with the solidarity of the German steel industry" which was likely to make collective bargaining more difficult. "Breaking a weak firm away from a bargaining unit is bound to lead to a higher settlement since the union will then demand more from the actually or reputedly stronger members". The convoy, he argued, now had to travel without its slowest ship. If the other members acted according to the same logic, each firm could be "torpedoed by the union one by one" (HB, Nov. 15).

Other comments centered on the reasons why the government had demanded ARBED's resignation, and on the consequences of this for ARBED itself. In principle, since the Saarland has a formally separate industrial agreement covering only ARBED and two other, smaller firms, a wage freeze for ARBED could have been negotiated by the employers association as well as by ARBED itself. Although in the past two decades the Saar agreement has increasingly turned into a mere replication of the Ruhrgebiet agreement, it could conceivably have been revitalized. However, the problem seems to have been that the other

steel producers were unwilling to pay strike support - as they would have had to under the rules of the association - to a competitor trying to win a "zero settlement" while they themselves would have to accept a settlement "above zero" (HB, Nov. 11). On the other hand, as a non-member ARBED will not get strike support either. The difference may be that where there is no question of outside support, the bargaining position of the union, faced with a firm on the verge of bankruptcy, may not improve but in fact deteriorate - assuming, of course, that the union and its ARBED membership want to avoid destroying the firm.

In any case, the strongest protests against the government's attack on "the solidarity of the German steel industry" came from the IG Metall, and had there still been a need to demonstrate the interest of industrial trade unions in strong employers associations, this would be a perfect example. According to the vice-chairman of IG Metall, the government's pressure on ARBED to resign from the association was "a blatant infringement on the constitutional freedom of association", aimed at abolishing the principle of free collective bargaining: "The Federal Government imposes, through conditions attached to subsidies, a wage Diktat. This is a clear violation of the constitutional rights of association and collective bargaining (HB, Nov. 21). For the union, ARBED represents an attempt by the government to create a precedent for further intervention of this kind. This applied already to the imposed re-negotiation of the social plan. According to a union spokesman, the re-negotiation would save the company no more than DM 4 million a year, and what the government was really asking for was "a gesture of deference" by the union (HB, Nov. 17). This suspicion was felt to be confirmed when the resignation from the employers association was announced, together with the wage freeze in 1984. It was at this point

that the re-negotiation of the social plan finally failed. The newly elected chairman of IG Metall voiced his opposition to the government taking future "zero settlements" for granted in restructuring projects (HB, Nov. 17). His deputy saw a strategy of the government to create "many little ARBEDs" and stated that the union would not allow this. By mid-November, IG Metall began to mobilize its membership, among other things by distributing two million copies of a special ARBED edition of its journal (HB, Nov. 17).

It is not inconceivable that the present government indeed uses ARBED as an exercise ground for new strategies to undo, in response to and with the help of the crisis, the rigidities created by and inherent in a neo-corporatist system of industrial relations. That the approach chosen in 1983 did not attack the union directly but rather took a detour through the employers association is indicative not just of the considerable institutional strength of German trade unions - a strength that had proven itself even in 1982 when the IG Metall was able to turn the intended cut of the Christmas bonus into a re-payable loan. It is also in line with the observation that the weaker pillar of neo-corporatism - weaker both in its organizational cohesion and in its interest-political commitment - is not labour but capital. It is true that in the ARBED case, the spiritus rector of the company's resignation from the employers association was the government. But this was due to the fact that in the German steel industry, it has long become the government rather than private investors that pays the bills. Moreover, ARBED as a company is subject to the coal and steel type of co-determination, which undoubtedly limits the capacity of its management to engage, without strong outside encouragement and backing, in confrontation with the union. In other sectors where private capital

has a greater stake and where management is still more autonomous and aggressive, anti-corporatist movements may as well emerge from business directly. Even so, however, government support will be vital for what neo-liberals would undoubtedly call the restoration of flexibility to a bargained economy, just as it has been vital to the growth of centralized joint regulation in the 1960s and 1970s.

THE DECOMPOSITION OF CLASS INTERESTS. CONSEQUENCES OF UNEMPLOYMENT FOR
TRADE UNION ORGANIZATION.

The impact of an economic crisis on trade unions is usually seen primarily in terms of a loss of bargaining power and, perhaps, of membership and financial resources. Both are direct and indirect consequences of high unemployment, and their importance lies in the fact that they weaken unions in their relation with employers and government. But crisis and unemployment have other consequences as well that affect the internal politics of trade unions, and these may in the long run be even more subversive to neo-corporatist institutions than the deterioration of unions' market power.

Unemployment changes fundamentally the structure and the functioning of the labour market. High unemployment is accompanied, and produced, not just by redundancies and dismissals but also by a sharp decline in the number of new recruitments. In fact, the latter may be much more significant than the former, especially in countries or industries where employment reductions are accomplished primarily through early retirement and the non-replacement of fluctuation. Workers in a crisis economy know that there is a higher chance than normal for them to lose their jobs by dismissal or as a result of their employer going bankrupt; but they also know that they have no chance at

all to find a new job once they have lost, or given up, their present one. It is difficult to say which of the two aspects of high unemployment has greater impact on workers' "consciousness"; however, given that unemployment will always be limited to some, relatively small, proportion of the workforce while the disappearance of employment alternatives affects nearly everybody, there is good reason to believe that it is the latter. Among other things, this is borne out by the fact that one of the most obvious effects of increasing unemployment is a decline in the number of voluntary resignations and in the mobility of workers between different employers.

If it is true that a lasting crisis ties workers to their present place of employment, then this should have a profound impact on both their definition of interest and, accordingly, the policy options open to their trade unions. It has often been observed that unemployment tends to be accompanied by declining absenteeism, increased preparedness to work overtime or at higher speeds, fewer disciplinary problems, higher acceptance of managerial authority, etc. Normally, this has been interpreted as a consequence of the deteriorating power position, in relation to their employer, of individual workers faced with the disappearance of alternative employment opportunities, and there is no doubt that this plays indeed an important part. But, in some cases at least, there is also another factor present which is an increased interest of workers, in an environment dominated by firm breakdowns and the absence of job openings, in the economic competitiveness and the survival of the firm with which they are (still) employed. This interest, newly discovered in the crisis and reinforced by the dismal state of the external labour market, can lead to, and in fact demand, a hitherto unknown degree of cooperation with the employer, especially if

the firm is in a critical condition in which its further existence may be at stake.

Why should such a development affect the internal stability of the comprehensive and centralized trade unions that form an integral part of neo-corporatist industrial relations systems? The reason is essentially that a solidaristic, "class"-based union policy presupposes a labour market with high external mobility and, as a consequence, low identification of workers with the economic fate of their present employer. Trade unions undertaking to negotiate general standards of wages and working conditions that apply to an entire industry or economy cannot exhaust the "ability to pay" of the more prosperous enterprises, and this is why they have to fend off, in times of economic expansion, internal criticism by their more economically favoured members for being too moderate. But neither can they limit their demands to what marginal firms can offer without having to go out of operation. In fact, both the West German and the Swedish trade union movement have, in the post-war era, entertained a doctrine of "wage policy" under which the bankruptcy of marginal firms was seen not just as an inevitable but as an outright desirable result of centralized collective bargaining. This was possible only under the assumption that there was a functioning external labour market that could absorb into more productive employment those workers who lost their jobs as a result of "solidaristic wage policy". (The role of Swedish active labour market policy - which was invented by the unions and instituted at their demand - was to ensure that the external labour market could indeed perform this function; to present it, as some authors do, as a political compensation for "wage moderation", - cf. Lehmbruch, 1979: 306 - would not go down well with the employers who were driven out of business with its assistance). On

the part of the unions, this strategy required that workers in weak firms or regions did not side with their employers in order to defend their jobs, but were willing to support the demands of their union (their "class") even if as a consequence, they had to seek alternative employment.

Another case in which the members of industrial unions are asked to divorce their interests from those of their employer is strikes. For an industry-wide strike to be effective, a worker who is called upon to walk out must do so, even if he happens to have no particular grievance against his employer. He also must walk out regardless of whether this is likely to do lasting damage to his employer's competitive position or even to endanger his economic survival. That this is by no means a merely hypothetical problem is indicated by the intense inside bargaining, behind closed doors, between German national unions and (unionized) workforce representatives at individual workplaces on the maximum permissible level of "maintenance work" (Notdienst) during a strike. The same problem is present in the designation of targets for selective strikes which are, for financial reasons, the most suitable strike tactic for industrial unions. Again, one would expect that the willingness of workers to inflict damage on their employer in the support of class-wide, solidaristic interests is inversely related to the degree to which their own economic fate has become, as a result of a decline of the external labour market, inseparable from that of their employer.

Identification of workers with the economic interests of their employer can take various forms. One example is "employee bailouts", with workers in firms on the brink of bankruptcy accepting substantial wage cuts, working unpaid overtime, or extending interest-free credit to

their employer. In a country like the United States, this tends to be accompanied by formal collective resignation from union membership, or by withdrawal of the bargaining mandate from the union. Developments of this kind, while they cannot be entirely precluded, are unlikely in more corporatist systems where collective agreements are more difficult to undercut and where the status of trade unions is better protected (a fact that is increasingly recognized by former critics of Verrechtlichung, cf. Erd, 1978, and Erd, 1983: 212). Here, enterprise centered interests of workers tend to articulate themselves less conspicuously and without dramatic institutional discontinuities. In the West German case, they crystallize around the existing institutions of the "Works Constitution" which, as has been indicated, assumes new interest-political functions in the course of the creeping erosion of the industry-wide bargaining system. The reason why these functional changes are both difficult to observe and almost irresistible is that they represent basically an acceleration of trends that have been present for some time and that have started long before the crisis (Streeck 1981a). Nevertheless, the changes that are under way are fundamental in that they involve a gradual transformation of institutions that once formed an indispensable substructure of centralized joint regulation, into nuclei of an emergent enterprise unionism - not necessarily in a formal and official sense but, more likely, de facto under the cover of the existing but functionally preempted institutional structure.

Workers in Germany are represented at the workplace by works councils which are formally not trade union bodies but elements of the legal-based "Works Constitution". Works councils are elected every three years by all workers regardless of union membership, and while

unions can nominate candidates, they may have to compete with candidates from non-union groups. Nevertheless, the industrial unions affiliated to the Deutscher Gewerksschaftsbund (German Federation of Trade Unions) regularly win about eighty per cent of all works council seats. Works council members are entitled to be released from work for the performance of their function, and the employer has to provide them with office space and other material resources. They also have wide-ranging legal rights to "co-determination", especially in the area of manpower use and manpower policy. But works councils have no right to take industrial action, and they are under a legal obligation to cooperate with the employer in the best interests of the firm.

The positive functions of the Works Constitution for industrial unionism have been pointed out elsewhere in detail (Streeck, 1979). Since works councils, having a de facto monopoly on interest representation at the workplace, are elected at large, they prevent the articulation of sectional interests of fractions of the workforce - e.g. specific "craft" occupations. They thus relieve the industrial union of problems of interest aggregation that otherwise might be unsolvable. Furthermore, works councils are legally charged with supervising the implementation of industrial agreements. Moreover, the prohibition on works councils calling strikes protects the "strike monopoly" and, with it, the bargaining monopoly of industrial unions; without such protection, the difficulties of external unions in keeping workers in firms with an above-average "ability to pay" from negotiating their own agreements would seem unsummountable. The role of the Works Constitution as an organizational substructure of industrial unionism was considerably strengthened by the Works Constitution Act of 1972 which was passed at the demand of the trade unions.

Nevertheless, while the Works Constitution helped unions solve a wide range of organizational problems, it also created new ones. Independent action of privileged or radicalized sections of the membership, which is referred to as "syndicalism" in German trade union language, the works council system controls effectively. But in addition to the conflictual type of syndicalism, there always was another, cooperative one - Betriebsegoismus - and this the Works Constitution not only fails to control but indeed encourages (Kotthoff, 1979; Miller, 1982; Tegtmeier, 1973; Teschner, 1977). The problem is not so much that works councils may fail to use their full legal powers; in such cases, trade unions have ways and means to intervene. More important is the case in which they do use their powers, but for objectives that differ from union policy. For example, the works council of a large firm may negotiate a supplementary pension plan or a co-ownership scheme - both seen with suspicion by the union - conceding to management in exchange the introduction of a new kind of job classification or of a manpower information system that the union is trying to prevent through action at the sectoral level. The common political denominator of such bilateral agreements at enterprise level is the shared interest of management and works council in the economic success of "their" enterprise - as distinguished from competing firms and the industry as a whole. In fact, given that works councils organize workers on the basis of their being employed with one specific employer, the identification of the collective interest they represent with the (long-term) interest of the firm seems so natural that the legal obligation to "peaceful cooperation" appears almost unnecessary.

It has been suggested as early as in the late 1970s that the works council system, having been so considerably strengthened in 1972 and

further by the Co-Determination Act of 1976, may at some stage turn into a liability, rather than an asset, for the stability of industrial unionism (Streeck, 1982: 78). But what a few years ago was visible only to a few close observers, is now becoming increasingly obvious. If one had to design an ideal institutional structure in which to accommodate the emergent, workplace-specific interests of workers in a crisis economy, this could not conceivably look much different from the present Works Constitution. With diminishing control of central collective bargaining over the exercise of co-determination at the workplace, the last remaining criterion of decision-making and interest accommodation inside the institutions of the Works Constitution becomes the well-being of the firm. Not that labour had lost its voice; if it had, the specific kind of cooperation that is so characteristic of large German firms - and that is based on the confidence of workers that they can indeed get a share of the proceeds - would not be possible. But the voice of labour is now more than ever that of those employed, and wanting to remain employed, in a specific place of work, and it is their interest, highly particularistic from a class perspective and no longer contaminated by organizationally enforced "solidarity", that puts to its own use the institutional instruments of workplace participation that were created in the past for other, more general purposes.

At the heart of the new Betriebsegoismus of works councils, as one would expect given the state of the external labour market, lies employment protection. But this is very widely defined, comprising both the full utilization of existing legal safeguards and cooperation with management in maintaining and improving the firm's competitive position. The institutional structure of the Works Constitution permits both at the same time; while management trying to improve productivity depends,

under co-determination, on the cooperation of the works council, the works council is well enough protected from sectional pressures from the labour force - and from trade union pressure as well - to be able to cooperate and "deliver" its constituents. The political formula on which this kind of interest accommodation is based is closure of the internal labour market in exchange for the highest possible measure of internal flexibility, with the works council accepting responsibility for continuous adaptation of an essentially fixed workforce to changing technical and economic needs (Hohn, 1983). In some instances, this may involve employment cuts. But the considerable powers of works councils, and the strong hold they have on firms' personnel departments under board-level co-determination (Streeck, 1984), has led to the development of manpower planning systems that often permit to stretch workforce reductions over a relatively long period of time, so that they can be accomplished by natural wastage and early retirement.

Otherwise and in the normal case, works councils become the border guards and, indeed, the rulers of the internal labour market, ensuring that nobody is allowed in who might in the future threaten the employment status of those already employed. The latter may happen in two ways (Hohn, 1983; Hohn and Windolf, 1982). New recruitment may lead to an oversized workforce which may later have to be again reduced, and the larger the number of workers to be made redundant, the more difficult it is to avoid forced dismissals. Consequently, overtime is much preferred by works councils over new recruitment as a way of coping with additional workloads, and workforces remain small and "lean". Also, recruitment of workers who are unable or unwilling to undergo future retraining and redeployment may make it more difficult for the works council to provide for internal flexibility in exchange for

employment security; in addition, it may negatively affect the firm's economic performance. In these areas as well as in others - e.g. in the selection of workers for retraining or in the invention of payment schemes allowing for frictionless redeployment - works councils under co-determination have taken over essential functions of manpower management. Partly, this transfer of responsibility was a matter of legal entitlement; but it often was also a result of voluntary delegation by management itself, leaving the problem of making stable employment compatible with economic performance to those who are most strongly interested in the former while knowing that for this very reason, they have to be also interested in the latter.

As (co-)managers of internal labour markets (Streeck, 1984), works councils may find central industrial agreements as "rigid" and "impracticable" as management. But being legally charged with supervising their enforcement, they can more easily circumvent them. Since their leading members normally wield considerable power inside the union, they also can influence sectoral and national trade union policy so that it does not get in their way. The impasse of central collective bargaining in the crisis is bound to increase their autonomy and discretion even further. In fact, there is very little today that can prevent works councils from giving precedence to internal labour market flexibility over trade union policy. Particularly interesting examples are found in the area of working time. In spite of the vigorous opposition of industrial unions to part-time work, job sharing and flexible working time according to production requirements, works councils in several large firms have recently concluded agreements with management on exactly these matters.

Apart from a small number of radical outsiders, there is no demand on the part of business for a repeal of the Works Constitution Act, and the new government has formally stated that it has no such intention. In part, this is because any attempt to abolish the Works Constitution may end up in industrial civil war. But it is also true that the Works Constitution, left on its own, is the one element of neo-corporatism that business can accept. The delegation of managerial responsibilities to a cooperative works council has proven an effective instrument of preserving social peace at the point of production in a period of intensive industrial restructuring. Moreover, the internal labour market option favoured by works councils, provided that it is made viable through bargained, binding interest accommodation, seems to be well adapted to the new technologies and new forms of work organization necessary for survival in tighter and more volatile markets. Here, the Japanese example looms large in the background. If employment stability and co-determination help create a workforce that is highly qualified, willing to undergo continuous re-training, motivated to do quality work, prepared to accept flexible work schedules, able to switch between different jobs with broad and frequently changing tasks, self-interested in suggesting improvements that increase productivity, and capable of operating a work organization based on semi-autonomous groups - then they are worth their price, and managerial unilateralism, combined with a reassertion of the right to "hire and fire", may well be the inferior strategy. Here again, like in the neo-corporatism of the 1970s, but this time at the level of individual firms, a "virtuous circle" may emerge within which an institutional system whose stability depends on economic success, sustains itself by making precisely this success possible.

For the unions, of course, the gradual "Japanization", if the term is permitted, of German industrial relations in the crisis is nothing less than the most serious organizational challenge they have ever faced. The longer the crisis lasts, the more difficult it is to imagine that the emerging pattern of social partnership without corporatism (cf. Miller, 1982: 45) inside the large, world-market oriented enterprises can again be undone in the name of class solidarity. The danger for national trade union headquarters to degenerate into service organizations (ausgelagerte Stäbe) for the powerful works councils of large enterprises - providing them at their request with legal and economic advice instead of directing their policies - has been pointed out by this author in the past (Streeck, 1981b; 1982). Today, it is clear that this development has progressed much faster than had been expected. The preparations presently made by IG Metall for a nationwide strike in 1984 in support of a reduction of the standard working week to 35 hours and a limitation of overtime can in this perspective be interpreted as a monumental effort to reclaim, for the central bargaining level, the initiative on a wide range of subjects, in particular manpower policy and manpower planning, that are presently dealt with exclusively at the enterprise level under co-determination. Heroic as this strategy is, it is more likely to fail than to succeed. Even if the union were to win significant concessions from the employers - which is extremely unlikely - it is highly questionable whether such concessions will actually be implemented at the workplace. In at least one large enterprise - which is among the largest in the Federal Republic - the works council is already today looking for ways to prevent a general reduction of working time from negatively affecting the competitiveness of, and thus the level of employment at, the

company. One solution that is being considered is to eliminate breaks that had in the past been introduced by voluntary agreement between works council and management, so as to minimize the reduction of effective working time. Another is the introduction of flexible time schedules responding to changing workloads ("guaranteed yearly working time"). A third is continued operation of industrial robots during breaks, and there are more such proposals. There is reason to believe that the autonomy, the sophistication and the sense of separate identity of bargaining systems at the workplace have by now far exceeded the control capacity of the traditional industrial agreement.

NEW LINES OF CLEAVAGE.

Where will all this lead? As we leave behind the 1960s and 1970s, the defenders of the grand simplicity and the elegant unity of the neo-corporatist institutional design are becoming smaller in number, and their resistance is weakening. Certainly the present, and most likely the future as well, is dominated by growing divergence of interests that once were contained inside the big neo-corporatist aggregates. As a result, the problems facing their private governments in what we have called, elsewhere, the "management of interest diversity" (Schmitter and Streeck, 1981) are becoming ever more difficult to resolve. It is not just business that feels tempted today to abandon the historical project of regulating a complex labour market by centralized, negotiated accommodation of interests - although business clearly has the strongest motivation to do so. Governments, especially those of a conservative political complexion, may also become impatient with the costs and the slow pace of bargained industrial restructuring. Only the unions seem to stand firm, but as we have seen, the pull of the market separating

special interests from each other does not stop at their doorsteps, and national unions may increasingly find themselves fighting for a cause that their members have long begun to desert.

Inside and outside existing neo-corporatist institutions and often behind their cover, new lines of cleavage are emerging that do not look like they would soon disappear (Goldthorpe, 1984). Five such cleavages are making themselves felt with growing strength:

1. The division between workers in weak and strong sectors. As long as there was enough slack in the economy, the negative impact on weaker industries of central, encompassing regulation of the labour market was comparatively easy to accept. Not only were there alternative employment opportunities for workers from declining sectors. There also was the possibility of using a share of the proceeds of a growing economy to finance an "orderly retreat" from declining industries, buying the necessary time for "socially acceptable" structural adaptation. All this has changed now. The external labour market is closed; state budgets are overspent; even the strong sectors need all they can get for their own survival; and the slow and soft "management of decline" of yesteryear has given way to the brute reality of employment cuts and bankruptcies on short notice. For workers in the weak sectors of the economy - not to mention their employers - a "solidaristic" trade union policy that tries to override specific market forces may, in these circumstances, appear rather frightening, and trade unions sticking to the time-honoured principles of class solidarity may ever more often be asked by their members in crisis-ridden sectors to be left on their own.

2. The division between workers in weak and strong firms. Solidarity demands that workers in weak firms do not permit negative

precedents to be created for other workers by their employers undercutting national agreements. But this presupposes that, in return, there can be a meaningful transfer of bargaining power from the strong to the weak. To the extent that the central bargaining level loses its significance, and adherence to the national agreement may for workers in weak firms result in lasting unemployment, this condition is no longer given, and structural differences of interest arise that are more difficult than ever to bridge by normative concepts like "solidarity".

3. The division between workers in large and small firms. Firm size has always made a difference with regard to the effectiveness of representation of workers at the workplace. This holds in particular in the German context where the influence of works councils depends on nothing more than the size of the firm. To a large part, solidaristic trade union policy in West Germany was aimed at spreading, through the instrument of the collective agreement, some of the concessions won by workers in large firms through their works councils, to the workforce as a whole. The more the neo-corporatist institutions at the industrial and national level fall into disuse, the more this mechanism of redistribution comes to a halt. As the institutional structures of interest accommodation at the workplace become "de-capitated", the division intensifies between workers in large firms who continue to have a voice in the management of their affairs, and workers in small firms that fail to sustain effective structures of workplace representation.

4. The division between workers in competing production units. Labour can organize and act as a class only if in the perception of workers, the political cleavage between them and "capital" supersedes the "market cleavage" between their present employer and its competitors. Mobilizing and sustaining collective identifications based

on class rather than firm was never easy for trade unions, but the changing structure of the labour market in the crisis has compounded the problem. Solidaristic trade union strategy demands that workers stay neutral in the struggles that their employers fight with each other in the marketplace. However, if the number of jobs in an industry is declining, and the only alternative to one's present job is unemployment, there is a considerable incentive for workers and their workplace representatives to help their employer prevail and thereby shift the burden of unemployment to their fellow workers who happen to work for the competition. A related case, which has become rather frequent in West Germany, is firms with overcapacity cancelling contracts with suppliers and changing to inhouse production, as a way of protecting their employment. Often, this is in response to demands by the works council - which are made regardless of the fact that they are in contradiction to official trade union policy.

5. The division between the "ins" and the "outs". It has often been argued that the "segmentation" of labour markets is to a significant degree produced by trade union intervention. But while this was always highly plausible where unions are workplace- or craft-based, industrial unions aspire to represent all workers equally, including those who are not organized. As has been said, this is one reason why they find it so difficult to resist the "neo-corporatist temptation". However, with the center of gravity of industrial relations shifting to the workplace, it is no longer the industrial union but increasingly the works councils that represent labour in the joint regulation of the "conditions of employment", and this, indeed, does result in segmentation (Hohn, 1983). But the pattern of segmentation in an emergent "post-corporatist" system, being conditioned by the

institutional structure from whose decay it originates, differs from that in systems that never were corporatist. For example, the German employment system is relatively inflexible with regard to the introduction of unequal wages and conditions for new entrants into a given workforce; this is different from the United States where agreements between (workplace) union and management are becoming more widespread under which new workers are paid only part of the wage of already employed workers. Also, segmentation in Germany is not caused by declining access to training for skilled occupations; to the contrary, the number of apprentices in large firms has been increasing in recent years, not least due to works council pressure. (In exchange, works councils have agreed that skilled workers upon completion of their apprenticeship may be employed in unskilled jobs, until the internal labour market offers an opportunity for promotion). And while there always was some discrimination by ascriptive criteria, the main line of segmentation in German "late corporatism" is between those who are employed and those who are not - and cannot be, even at inferior conditions, because this would undermine the defense at workplace level of the past accomplishments of solidaristic union policy. Thus, to the extent that there is a contribution of organized labour to labour market segmentation in West Germany, this consists primarily of the successful efforts of works councils, as a way of protecting the existing workforce, to control, and in effect prevent, new recruitment (Hohn, 1983). One expression of the resulting "social closure" of internal labour markets - which is facilitated by the absence of formal seniority rules and job demarcations, allowing for high internal flexibility through retraining and redeployment - is the high level of overtime in large firms. While from the perspective of the industrial union, this

violates the principle of solidarity with the unemployed, for those who are in employment it is an essential precondition of their continued employment security.

Undoubtedly, the German case is special as is every other case. Just as there was no "corporatist convergence" in the 1970s (Goldthorpe, 1984), there is not likely to be a "post-corporatist convergence" in the 1980s. Some countries, especially smaller ones like Austria and Sweden, may be able to sustain corporatist industrial relations structures in spite of the crisis. The Swedish "wage-earners funds" can be seen as an attempt to collectivize, at the sectoral level, workers growing "property interests" in their places of employment, and this may indeed help both stabilize industrial unions and protect the role of industry-wide joint regulation. On the other hand, the 1982 break-up of the machinery of inter-sectoral wage setting indicates that even the Swedish system is by no means insensitive to the centrifugal forces generated by the crisis.

ITALY
X
Latecomers to corporatism may also be in a different situation, although Italy seems to be the only country today in which the project of an institutionalized, tri-partite "social contract" ranks high on the national agenda. Its success, it seems, depends on the existence, on the part of both capital and labour, of tradeable political commodities that can be exchanged over a longer period to mutual advantage. Here, the picture does not in the end much differ from that in Germany. While the Italian labour movement seems to be prepared to make significant material concessions in return for stronger collective participation in industrial restructuring, the capacity of trade unions to control the peace at the workplace has suffered dramatically from the crisis.

Capital, on the other hand, seems to be interested above all in de-regulation of the labour market, and there must be little attraction for it in displacing state-bureaucratic regulation by regulation through national or sectoral collective bargaining. It appears that the same fundamental mismatch of interests that undermines established corporatist systems - what unions have to offer, employers already have, and what employers need, unions with a corporatist project cannot offer - also, and even more effectively, stifles the development of corporatist institutions where they have not previously existed.

The parallels, of course, must not lead one to overlook the differences. In Italy, precisely because it is a case of pre- rather than post-corporatism, there is no "cooperative trap" at the workplace in which industrial unions could fall. The most likely scenario here appears to be a lasting institutional impasse, with management ruling the day at the point of production while unions, outside and above the individual enterprise, remain able to conserve their political and organizational integrity for a future resurgence of traditional class conflict (which may however not occur for a long time). German unions, by comparison, are much better protected from a return to managerial unilateralism, at least in the larger workplaces, but for this they pay with their organizational unity and with the emergence of new cleavages with which their structures, strategies and ideologies do not mesh. Paradoxically, the transformation of German neo-corporatism into an emergent enterprise unionism-cum-dualism is to a large part a consequence of the former's past economic success - much as the immobilism of the Italian pre-corporatist structure is explained by its economic failure. The cooperative syndicalism of German works councils reflects the same commitment to world market competitiveness that

underlay the "Modell Deutschland" of the 1970s; it is sustained by the experience, absent in Italy, that such competitiveness can in fact be successfully pursued, but it also reflects the recognition that the conditions for this have changed. The losers are the trade unions at the industrial level. What is striking about the resulting institutional structure is how close it comes to that in the two other leading capitalist nations, Japan and the United States (cf., for example, the recent break-up of pattern bargaining in the US automobile industry). Effective consensual interest accommodation at the level of individual enterprises seems to be a crucial institutional precondition of success in today's world markets, and Germany may be the one corporatist country that is best equipped for a transition to this pattern. Some countries, like Sweden and Austria, may be able to protect their prosperity without going just as far; but others, like Italy, France or Britain, which have never developed a corporatist structure on whose fragments they could build stable, enterprise-based "productivity coalitions", are likely to suffer a lasting disadvantage in relation to countries with more competitive institutions.

Trying to draw out the lines of recent German developments, the joint regulation of the relations between capital and labour may for a long time effectively shift from the national or industrial to the enterprise level. The dominant pattern here, dominant in the sense that it prevails in the leading sectors and firms of the economy, seems to be one of close, and closed, "productivity coalitions" within individual production units, joining together management and a relatively secure, "fixed" workforce in a campaign for competitive success on domestic and world markets (Streeck, 1984). It is tempting to speculate what the next step may be in the historical sequence from (centrally regulated)

employment contracts in an open external labour market, to institutionally protected job ownership in closed industrial sub-societies. One possibility, given the forceful emergence and the sustained precedence of "fixed", static interests of workers in the economic fate of "their" enterprise, would be a gradual transformation of job ownership into share ownership. In fact, this would seem to be no more than the logical conclusion of the past evolution, much assisted by neo-corporatist collective bargaining and legislation, from contract to status, as the defining principle in the relationship between workers and their employing organization. With the workforce acquiring a similarly vested interest in the success of the firm as the original shareholders, there is no reason why workers should be represented exclusively through traditional institutions of industrial relations, and not (also) directly in the shareholders' assembly. Not only would share ownership give adequate institutional expression to the specific relation of a fixed workforce to "its" enterprise in a closed external labour market; it would also permit for considerable upward and downward flexibility of remuneration unimpeded by industrial agreements and in line with both the enterprise's ability to pay and its need to survive.

Neo-corporatism may not disappear, even though it seems to have given rise to a new enterprise constitution which, under changed economic conditions, undermines the neo-corporatist institutional pattern of industrial relations. If one was daring enough, one might venture the hypothesis that it is industrial relations as we have known it, and not neo-corporatism, that is about to wither away. With the cleavage between labour and capital as organized social classes being superseded by the new cleavages between unified sectors and consensually organized firms, as well as between privileged and unprivileged class

sections, new issues like the protection and the restructuring of industrial sectors will take precedence. These may well again lend themselves to neo-corporatist forms of interest intermediation and public policy-making. On the other hand, however, indications are that the interests and actors called upon by the new issues will be much more fragmented and specific than in the highly organized labour market of the past. Moreover, for each of the new corporatist policy arenas - if corporatist they will be - there will also be outsiders challenging the legitimacy of state-facilitated interest accommodation between those who have been admitted as participants. If ever the institutional simplicity and the political comprehensiveness of neo-corporatist industrial relations was more than just a delusion, with the entanglement of class politics in the economics of individual firms and sectors its days seem to be counted.

BIBLIOGRAPHY

- Adams, R.J., and C.H. Rummel, 1977: "Workers' Participation in Management in West Germany: Impact on the Worker, the Enterprise and the Trade Union", Industrial Relations Journal, 8: 4-22.
- Carrieri, M., and C. Donolo, 1984: "Beyond the Neo-Corporatist Horizon: Some Highlights on the Political Future of Unions", Typescript.
- Crouch, C., 1977: Class Conflict and the Industrial Relations Crisis. London: Heinemann Educational Books.
- Erd, R., 1978: Verrechtlichung industrieller Konflikte. Normative Rahmenbedingungen des dualen Systems der Interessenvertretung. Frankfurt am Main: Campus.
- Esser, J., W. Fach and W. Vaeth, 1983: Krisenregulierung. Frankfurt am Main: Suhrkamp.
- FAZ: Frankfurter Allgemeine Zeitung, Frankfurt am Main.
- Goldthorpe, J.H., 1984: "The End of Convergence: Corporatist and Dualist Tendencies in Modern Western Societies", in: J.H. Goldthorpe, ed., Order and Conflict in Contemporary Capitalism: Studies in the Political Economy of West European Nations, Oxford: Oxford University Press.
- HB: Handelsblatt, Duesseldorf.
- Hohn, H.-W., 1983: "Interne Arbeitsmaerkte und betriebliche Mitbestimmung. Tendenzen der Sozialen Schließung im 'dualen' System der Interessenvertretung". Discussion Paper IIM/LMP 83-2, Wissenschaftszentrum Berlin.
- Hohn, H.-W., and P. Windolf, 1983: "Selektion und Qualifikation: Die betriebliche Personalauswahl in der Krise". Discussion Paper IIM/LMP 82-28, Wissenschaftszentrum Berlin.
- Holz, B., 1982: "Productivity Differences and Industrial Relations Structures: Engineering Companies in the United Kingdom and the Federal Republic of Germany", Labour and Society, 333-354.
- Jacobs, E., S. Orwell, P. Paterson and F. Wetz, 1978: The Approach to Industrial Change in Britain and Germany. London: Anglo-German Foundation for the Study of Industrial Society.
- Kotthoff, H., 1979: "Zum Verhaeltnis von Betriebsrat und Gewerkschaft. Ergebnisse einer empirischen Untersuchung". In: J. Bergmann, ed., 1979: Beitraege zur Soziologie der Gewerkschaften. Frankfurt am Main: Suhrkamp, 298-325.

- Lehmbruch, G., 1979: "Concluding Remarks: Problems for Future Research on Corporatist Intermediation and Policy-Making", in: Ph.C. Schmitter and G. Lehmbruch, eds., 1979: Trends Towards Corporatist Intermediation. New York and London: Sage Publications, 299-309.
- Miller, D., 1982: "Social Partnership and the Determinants of Workplace Independence in West Germany", British Journal of Industrial Relations, 20: 44-66.
- Panitch, L., 1979: "The Development of Corporatism in Liberal Democracies", in: Ph.C. Schmitter and G. Lehmbruch, eds., 1979: Trends Towards Corporatist Intermediation. New York and London: Sage Publications, 119-146.
- Sabel, Ch.F., 1981: "The Internal Policies of Trade Unions", in: S. Berger, ed., 1981, Organizing Interests in Western Europe. New York: Cambridge University Press, 209-244.
- Schmitter, Ph.C., 1982: "Reflections on Where the Theory of Neo-Corporatism has Gone and Where the Praxis of Neo-Corporatism May Be Going", in: G. Lehmbruch and Ph.C. Schmitter, eds., Patterns of Corporatist Policy-Making. New York and London: Sage Publications, 259-279.
- Schmitter, Ph.C., 1983: "'Neo-Corporatism', 'Consensus', 'Governability', and 'Democracy' in the Management of Crisis in Contemporary Advanced Industrial/Capitalist Societies". Paper presented to the OECD Expert Group on "Collective Bargaining and Economic Policies: Dialogue and Consensus", Paris, July 18-20, 1983.
- Streeck, W., 1979: Gewerkschaftsorganisation und industrielle Beziehungen. In: J. Matthes, ed., Sozialer Wandel in Westeuropa. Verhandlungen des 19. Deutschen Soziologentags, Berlin 1979. Frankfurt am Main: Campus.
- Streeck, W., 1981a: Gewerkschaftliche Organisationsprobleme in der sozialstaatlichen Demokratie. Schriftenreihe des Wissenschaftszentrums Berlin. Koenigstein/Ts.: Athenaeum.
- Streeck, W., 1981b: "Qualitative Demands and the Neo-Corporatist Manageability of Industrial Relations: Trade Unions and Industrial Relations in West Germany at the Beginning of the Eighties". British Journal of Industrial Relations, 14: 149-169.
- Streeck, W., 1982: "Organizational Consequences of Corporatist Cooperation in West German Labor Unions", in: G. Lehmbruch and Ph.C. Schmitter, eds., Patterns of Corporatist Policy-Making, New York and London: Sage Publications, 29-81.

Streeck, W., 1984: "Co-Determination : The Fourth Decade. Discussion Paper, IIM/LDP 83-1, Wissenschaftszentrum Berlin. Forthcoming in: International Yearbook of Organizational Democracy, vol. II, 'International Perspectives on Organizational Democracy', London: John Wiley & Sons.

Tegtmeier, W., 1973: Wirkungen der Mitbestimmung der Arbeitnehmer. Goettingen: Vandenhoeck und Ruprecht.

Teschner, E., 1977: Lohnpolitik im Betrieb. Frankfurt am Main: Campus.

PUBLICATIONS OF THE EUROPEAN UNIVERSITY INSTITUTE

EUI WORKING PAPERS :

- | | | |
|---------|--|---|
| No. 1 : | Jacques PELKMANS | The European Community and the Newly Industrialized Countries |
| No. 2 : | Joseph H.H. WEILER | Supranationalism Revisited - Retrospective and Prospective. The European Communities After Thirty Years |
| No. 3 : | Aldo RUSTICHINI | Seasonality in Eurodollar Interest Rates |
| No. 4 : | Mauro CAPPELLETTI/
David GOLAY | Judicial Review, Transnational and Federal: Impact on Integration |
| No. 5 : | Leonard GLESKE | The European Monetary System: Present Situation and Future Prospects |
| No. 6 : | Manfred HINZ | Massenkult und Todessymbolik in der national-sozialistischen Architektur |
| No. 7 : | Wilhelm BURKLIN | The "Greens" and the "New Politics": Goodbye to the Three-Party System? |
| No. 8 : | Athanasios MOULAKIS | Unilateralism or the Shadow of Confusion |
| No. 9 : | Manfred E. STREIT | Information Processing in Futures Markets. An Essay on the Adequacy of an Abstraction |
| No. 10: | Kumaraswamy VELUPILLAI | When Workers Save and Invest: Some Kaldorian Dynamics |
| No. 11: | Kumaraswamy VELUPILLAI | A Neo-Cambridge Model of Income Distribution and Unemployment |
| No. 12: | Kumaraswamy VELUPILLAI
Guglielmo CHIODI | On Lindahl's Theory of Distribution |
| No. 13: | Gunther TEUBNER | Reflexive Rationalität des Rechts |
| No. 14: | Gunther TEUBNER | Substantive and Reflexive Elements in Modern Law |
| No. 15: | Jens ALBER | Some Causes and Consequences of Social Security Expenditure Development in Western Europe, 1949-1977 |
| No. 16: | Ian BUDGE | Democratic Party Government: Formation and Functioning in Twenty-one Countries |

- | | | |
|---------|-----------------------------------|---|
| No. 17: | Hans DAALDER | Parties and Political Mobilization: An Initial Mapping |
| No. 18: | Giuseppe DI PALMA | Party Government and Democratic Reproducibility: The Dilemma of New Democracies |
| No. 19: | Richard S. KATZ | Party Government: A Rationalistic Conception |
| No. 20: | Jürg STEINER | Decision Process and Policy Outcome: An Attempt to Conceptualize the Problem at the Cross-National Level |
| No. 21: | Jens ALBER | The Emergence of Welfare Classes in West Germany: Theoretical Perspectives and Empirical Evidence |
| No. 22: | Don PATINKIN | Paul A. Samuelson and Monetary Theory |
| No. 23: | Marcello DE CECCO | Inflation and Structural Change in the Euro-Dollar Market |
| No. 24: | Marcello DE CECCO | The Vicious/Virtuous Circle Debate in the '20s and the '70s |
| No. 25: | Manfred E. STREIT | Modelling, Managing and Monitoring Futures Trading: Frontiers of Analytical Inquiry |
| No. 26: | Domenico Mario NUTI | Economic Crisis in Eastern Europe - Prospects and Repercussions |
| No. 27: | Terence C. DAINTITH | Legal Analysis of Economic Policy |
| No. 28: | Francis C. CASTLES/
Peter MAIR | Left-Right Political Scales: Some Expert Judgements |
| No. 29: | Karl HOHMANN | The Ability of German Political Parties to Resolve the Given Problems: the Situation in 1982 |
| No. 30: | Max KAASE | The Concept of Political Culture: Its Meaning for Comparative Political Research |
| No. 31: | Klaus TOEPFER | Possibilities and Limitations of a Regional Economic Development Policy in the Federal Republic of Germany |
| No. 32: | Ronald INGLEHART | The Changing Structure of Political Cleavages Among West European Elites and Publics |
| No. 33: | Moshe LISSAK | Boundaries and Institutional Linkages Between Elites: Some Illustrations from Civil-Military Elites in Israel |
| No. 34: | Jean-Paul FITOUSSI | Modern Macroeconomic Theory An Overview |

- | | | |
|---------|---|---|
| No. 35: | Richard M. GOODWIN/
Kumaraswamy VELUPILLAI | Economic Systems and their Regulation |
| No. 36: | Maria MAGUIRE | The Growth of Income Maintenance Expenditure in Ireland, 1951-1979 |
| No. 37: | G. Lowell FIELD
John Higley | The States of National Elites and the Stability of Political Institutions in 81 Nations, 1950-1982 |
| No. 38: | Dietrich HERZOG | New Protest Elites in the Political System of West Berlin: The Eclipse of Consensus? |
| No. 39: | Edward O. LAUMANN
David KNOKE | A Framework for Concatenated Event Analysis |
| No. 40: | Gwen MOORE/
Richard D. ALBA | Class and Prestige Origins in the American Elite |
| No. 41: | Peter MAIR | Issue-Dimensions and Party Strategies in the Irish Republic, 1948 - 1981: The Evidence of Manifestos |
| No. 42: | Joseph H.H. WEILER | Israel and the Creation of a Palestine State. The Art of the Impossible and the Possible |
| No. 43: | Franz Urban PAPPI | Boundary Specification and Structural Models of Elite Systems: Social Circles Revisited |
| No. 44: | Thomas GAWRON
Ralf ROGOWSKI | Zur Implementation von Gerichtsurteilen
Hypothesen zu den Wirkungsbedingungen von Entscheidungen des Bundesverfassungsgerichts |
| No. 45: | Alexis PAULY
René DIEDERICH | Migrant Workers and Civil Liberties |
| No. 46: | Alessandra VENTURINI | Is the Bargaining Theory Still an Effective Framework of Analysis for Strike Patterns in Europe? |
| No. 47: | Richard A. GOODWIN | Schumpeter: The Man I Knew |
| No. 48: | J.P. FITOUSSI/
Daniel SZPIRO | Politique de l'Emploi et Réduction de la Durée du Travail |
| No. 49: | Bruno DE WITTE | Retour à Costa. La Primauté du Droit Communautaire à la Lumière du Droit International |

- | | | |
|---------|---|--|
| No. 50: | Massimo A. BENEDETTI | Eguaglianza e Libera Circolazione dei Lavoratori: Principio di Eguaglianza e Divieti di Discriminazione nella Giurisprudenza Comunitaria in Materia di Diritti di Mobilità Territoriale e Professionale dei Lavoratori |
| No. 51: | Gunther TEUBNER | Corporate Responsibility as a Problem of Company Constitution |
| No. 52: | Erich SCHANZE | Potentials and Limits of Economic Analysis: The Constitution of the Firm |
| No. 53: | Maurizio COTTA | Career and Recruitment Patterns of Italian Legislators. A Contribution to the Understanding of a Polarized Political System |
| No. 54: | Mattei DOGAN | How to Become a Cabinet Minister in Italy: Unwritten Rules of the Political Game |
| No. 55: | Mariano BAENA DEL ALCAZAR/
Narciso PIZARRO | The Structure of the Spanish Power Elite 1939-1979 |
| No. 56: | Berc RUSTEM/
Kumaraswamy VELUPILLAI | Preferences in Policy Optimization and Optimal Economic Policy |
| No. 57: | Giorgio FREDDI | Bureaucratic Rationalities and the Prospect for Party Government |
| No. 58: | Manfred E. STREIT | Reassessing Consumer Safety Regulations |
| No. 59: | Christopher HILL/
James MAYALL | The Sanctions Problem: International and European Perspectives |
| No. 60: | Jean-Paul FITOUSSI | Adjusting to Competitive Depression. The Case of the Reduction in Working Time |
| No. 61: | Philippe LEFORT | Idéologie et Morale Bourgeoise de la Famille dans le <u>Ménagier de Paris</u> et le <u>Second Libro de Famiglia</u> , de L.B. Alberti |
| No. 62: | Peter BROCKMEIER | Die Dichter und das Kritisieren |
| No. 63: | Hans-Martin PAWLOWSKI | Law and Social Conflict |
| No. 64: | Marcello DE CECCO | Italian Monetary Policy in the 1980s |
| No. 65: | Giampaolo ROSSINI | Intraindustry Trade in Two Areas: Some Aspects of Trade Within and Outside a Custom Union |
| No. 66: | Wolfgang GEBAUER | Euromarkets and Monetary Control: The Deutschemark Case |

No. 67:	Gerd WEINRICH	On the Theory of Effective Demand under Stochastic Rationing
No. 68:	Saul ESTRIN/ Derek C. JONES	The Effects of Worker Participation upon Productivity in French Producer Cooperatives
No. 69:	Berc RUSTEM/ Kumaraswamy VELUPILLAI	On the Formalization of Political Preferences: A Contribution to the Frischian Scheme
No. 70:	Werner MAIHOFFER	Politique et Morale
No. 71:	Samuel COHN	Five Centuries of Dying in Siena: Comparisons with Southern France
No. 72:	Wolfgang GEBAUER	Inflation and Interest: the Fisher Theorem Revisited
No. 73:	Patrick NERHOT	Rationalism and the Modern State
No. 74:	Philippe C. SCHMITTER	Democratic Theory and Neo-Corporatist Practice
No. 75:	Sheila A. CHAPMAN	Eastern Hard Currency Debt 1970-83. An Overview
No. 76:	Richard GRIFFITHS	Economic Reconstruction Policy in the Netherlands and its International Consequences, May 1945 - March 1951
No. 77:	Scott NEWTON	The 1949 Sterling Crisis and British Policy towards European Integration
No. 78:	Giorgio FODOR	Why did Europe need a Marshall Plan in 1947?
No. 79:	Philippe MIOCHE	The Origins of the Monnet Plan: How a Transitory Experiment answered to Deep-Rooted Needs
No. 80:	Werner ABELSHAUSER	The Economic Policy of Ludwig Erhard
No. 81:	Helge PHARO	The Domestic and International Implications of Norwegian Reconstruction
No. 82:	Heiner R. ADAMSEN	Investitionspolitik in der Bundesrepublik Deutschland 1949-1951
No. 83:	Jean BOUVIER	Le Plan Monnet et l'Economie Française 1947-1952
No. 84:	Mariuccia SALVATI	Industrial and Economic Policy in the Italian Reconstruction

- | | |
|--|---|
| No. 85: William DIEBOLD, Jr | Trade and Payments in Western Europe in Historical Perspective: A Personal View by an Interested Party |
| No. 86: Frances LYNCH | French Reconstruction in a European Context |
| No. 87: Gunther TEUBNER | Verrechtlichung Begriffe, Merkmale, Grenzen Auswege |
| No. 88: Marina SPINEDI | Les Crimes Internationaux de l'Etat dans les Travaux de Codification de la Responsabilité des Etats Entrepris par les Nations Unies |
| No. 89: Jelle VISSER | Dimensions of Union Growth in Postwar Western Europe |
| No. 90: Will BARTLETT | Unemployment, Migration and Industrialization in Yugoslavia, 1958-1977 |
| No. 91: Wolfgang GEBAUER | Kondratieff's Long Waves |
| No. 92: Elisabeth DE GHELLINCK,
Paul A. GEROSKI
Alexis JACQUEMIN | Inter-Industry and Inter-Temporal Variations in the Effect of Trade on Industry Performance |
| No. 93: Gunther TEUBNER, Helmut WILLKE | Kontext und Autonomie Gesellschaftliche Selbststeuerung Durch Reflexives Recht |
| No. 94: Wolfgang STREECK,
Philippe C. SCHMITTER | Community, Market, State / and Associations? |
| No. 95: Nigel GRIFFIN | "Virtue Versus Letters": The Society of Jesus 1550-1580 and the Export of an Idea |
| No. 96: Andreas KUNZ | Arbeitsbeziehungen und Arbeitskonflikte im öffentlichen Sektor Deutschland und Großbritannien im Vergleich 1914-1924 |
| No. 97: Wolfgang STREECK | Neo-Corporatist Industrial Relations and the Economic Crisis in West Germany |

